



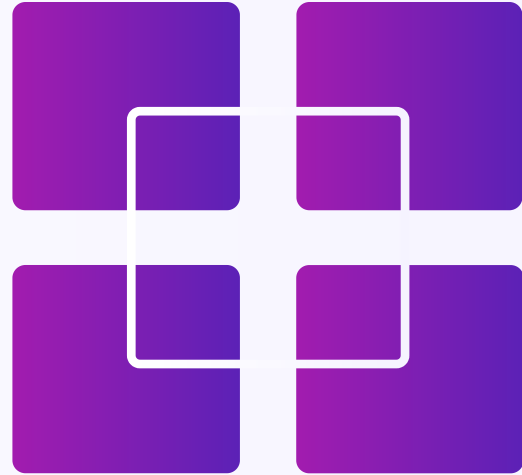
# Research Methods in Management and Organizations

**Hi All - 大家好 - 안녕하세요**



## Agenda

- Framework
- PID Motives and Influences
- Outcomes of PID
- Future Directions



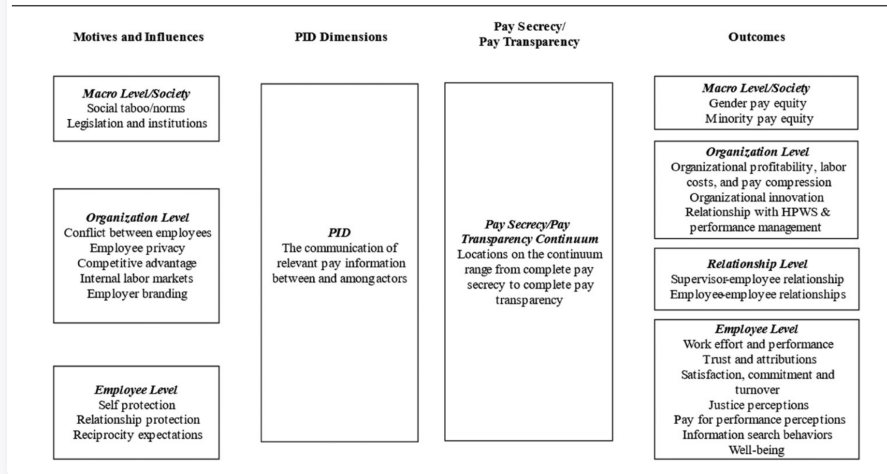
# Lecture 1

## Pay information Disclosure

# Section 1: Framework

# Framework

**Figure 2**  
**Integrative Framework of Pay Information Disclosure and Pay Secrecy–Transparency Continuum**



## **Section 2: PID Motives and Influences**

# PID Motives and Influences

## MACRO-LEVEL/SOCIETY

- **Social taboo/norm → lower PID motive**  
social norm (Bierman & Gely, 2004) or social taboo (Cullen & Perez-Truglia, 2018a) that inhibits pay discussions.
- **Legislation and institutions → higher PID motive**  
many countries have sunshine laws to preclude low PID motive because it makes gender pay gap.



# PID Motives and Influences

## Organization Employer-Level

- Minimize conflict between employees → **lower PID motive**
  1. jealousy hypothesis(only received indirect support); perception of inequity triggers negative labor attitudes and behaviors
  2. pay decisions are often complex and contains unaffordable subjectivity
- Employee privacy → **lower PID motive**

such employee preferences actually are rarely included in studies external validity challenges in recent experiments: participants are assigned to low or high PID conditions randomly, ignoring their inner types
- Competitive Advantage → **lower PID motive**

influences labor mobility(the inclination to find a better job in another company)
- Inner Labor Markets(ILMs) → **higher PID motive**

ILMs is a relational market in the firm, can adjust salary based on “job ladders”  
depends on whether the employer want workers to know their contribution to the organization  
beneficial to let labor know contributions→ form inner market → pay transparency  
high transparency promotes labors firm-specific human capital investment(Cullen & Perez-Truglia, 2018)

## **Section 3: Outcomes of PID**

## Organization Employer-Level(Continued)

Employer Branding → **PID motive** and Employee privacy → **lower PID motive**.

- Employer Branding
  - use PID as a signaling tool to outsiders
- Minimize conflict between employees → **lower PID motive**
  1. jealousy hypothesis(only received indirect support); perception of inequity triggers negative labor attitudes and behaviors
  2. pay decisions are often complex and contains unaffordable subjectivity
- Employee privacy → **lower PID motive**
  - such employee preferences actually are rarely included in studies
  - external validity challenges in recent experiments: participants are assigned to low or high PID conditions randomly, ignoring their inner types

## ORGANIZATION EMPLOYER-LEVEL(CONTINUED)

- Competitive Advantage → **lower PID motive**

influences labor mobility(the inclination to find a better job in another company)

- Inner Labor Markets(ILMs) → **higher PID motive**

ILMs is a relational market in the firm, can adjust salary based on “job ladders”

depends on whether the employer want workers to know their contribution to the organization

beneficial to let labor know contributions→ form inner market → pay transparency

high transparency promotes labors firm-specific human capital investment(Cullen & Perez-Truglia, 2018)

- Employer Branding → **PID motive**

use PID as a signaling tool to outsiders

## Organization Employee-Level

- Self-protection → **lower PID motive**

reduce threats to his or her overconfidence in self-identity and public identity

- Relationship protection → **lower PID motive**

information comparison will undermine a relationship

- Reciprocity expectations → **higher PID motive**

reduces uncertainty about the fairness of their pay relative to others

# Outcomes of PID

## GENDER

- Gender pay equity: woman can be paid equally; the effort already includes governments legislation(sunshine laws), but have mixed results

## ORGANIZATIONS

- organizational profitability, labor costs  
increase employers' bargaining power, decrease labor cost by paying high wage singly(Cullen & Pakzad-Hurson, 2019)
- pay compression/equality  
mixed results
- organizational innovation  
high organization PID facilitates innovation by motivating inventors “to exert more effort, enhancing teamwork, and attracting talented minority inventors” (Gao et al., 2020: 3)

## RELATIONSHIPS

- Supervisor–employee relationship depends on the extent of PID
- Employee–employee relationships Low organization PID can also lead employees to engage in selfish behavior  
pay processes transparency reduced counterproductive work behaviors (CWB), while transparency about pay outcomes increased CWB by those employees who believed they were underpaid

## EMPLOYEES

- Work Effort and Performance most studies report that high organization PID is associated with higher employee performance  
mediated by tolerance of equality
- Trust and attributions Benevolent attributions and Malevolent attributions  
low PID leads to Malevolent attributions



## EMPLOYEES

- Satisfaction, commitment, and turnover high organization PID and pay satisfaction
  - mixed results: retention and voluntary turnover
  - positive relationship between PID and distributive justice, procedural justice, informational justice

## EMPLOYEES

- Pay-for-performance perceptions positive relationship
- Information search behaviors Employees often make inaccurate assumptions about others' pay have costly information seeking

**Glassdoor** and **PayScale** reduce the gap between informed and uninformed parties

## **Section 4: Future Directions**

# Future Directions

## MOTIVES AND INFLUENCES

the heterogeneous willingness of sharing information, like young and elder people(generational differences)

## ORGANIZATION LEVEL

new technology-based company use PID as tool to show their welcome to genius(signaling)

## EMPLOYEE LEVEL

new equilibria and their type's decision

## PID

timing of the reform

preference for PID affects decisions

PID decisions affect employees' type decision

## QUALITY OF THE PAY INFORMATION TRANSMITTED

demand of employees and supply of organizations

cognition bias included

time of transimission

# Thank you

GIM Lab